



Action Alert

Debt Joint Committee Failure Hill Update

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Automatic Cuts Coming

At this writing, the Joint Committee has failed to agree to a debt reduction plan that will avoid automatic cuts under sequestration, and another \$600 Billion in cuts to the Defense and Services.

As a reminder, \$450 billion in defense cuts have already been agreed to prior can take place starting in 2013. We still haven't heard any details on how DoD plans to generate these savings over the next 10 years. DoD admits that some procurement and general efficiency issues will be a part of the original \$450 Billion. DoD and the services are going to propose cuts in military manpower levels, pay and benefits as a part of this particular cut.

This will mean that significant new force reductions, more deployment pressures on remaining members and families, pay raises or other compensation caps and cutbacks, and higher healthcare fees for currently serving family members and retirees and survivors of all ages. We recommend opposing dramatic new penalties for those who already have sacrificed more for America than any other segment of the population.

Meanwhile -- consideration of the fiscal year 2012 National Defense Authorization Act NDAA (S. 1867) is underway in the Senate. Before the Senate started the process, they cut an additional 21 Billion from the original 2012 Defense budget. The details of this cut were not clear. There are at least 150 amendments that are filed and pending on the NDAA, which will be considered when Congress returns after Thanksgiving.

TRICARE Fees

As reported previously, several Members have recommended ending access to TRICARE Prime for retired military and assessing a \$200 yearly fee, indexed in future years, for retirees using TRICARE for Life. The President and DoD have recommended increasing TFL fees and other fees for TRICARE beneficiaries. AUSN has stated before that it is unfair to place the burden of balancing our nation's budget on those who have "already served," "already sacrificed," and "already done more than their share." Senator Webb (D-VA) said in May 2011, that to "change earned benefits at this time would be breaking promises made to service members and veterans and to all those who served, sacrificed and fought for this great nation." At that SASC hearing, I agreed with the Senator, and also testified that making these deep cuts in the military would hollow out the force.

What do Sequester Cuts Mean to Force Structure?

A 'sequester' of Defense spending, due to lack of agreed action by the Joint Super Committee will have dire consequences across all Defense and Service 'projects, programs, and activities.' Not only will manpower, pay, and compensation now being considered for serious cuts under the \$450 billion reduction be affected, but the following would also be

affected.

- * A 23 percent cut in ship and military construction projects would render them un-executable - you cannot buy three quarters of a ship or a building.
- * A 23 percent cut in weapons program would drive up unit costs and lead to reductions in quantity of one third or more of all weapons systems.

A sequester will lower the caps on defense spending by about an additional \$100 billion a year in FY 2013 through 2021 -roughly double the effects of cuts under the basic provisions of the current law. These reductions in defense spending will have devastating effects. A cut of this magnitude would represent a reduction of nearly 20 percent in DoD funding over the next 10 years. This assumes that military personnel could not be exempted from these large reductions. Such reductions would:

- * Undermine our ability to meet our national security objectives and require a significant revision to our strategy.
- * Generate significant operational risks: delays response time to crises and disasters; severely limits our ability to be forward deployed and engaged around the world; and assumes unacceptable risk in future combat operations.
- * Severely reduce force training -threatens overall operational readiness.

Reductions at this level would lead to:

- * The smallest ground force since 1940.
- * A fleet of fewer than 230 ships, the smallest level since 1915.
- * The smallest tactical fighter force in the history of the Air Force.

Next Battle: Automatic Cuts

Even before the joint committee's stalemate was officially declared, a battle was underway over the \$1.2 trillion in automatic spending cuts scheduled to be imposed as a result of the panel's inability to send deficit-reduction legislation to the House and Senate. Although most expressions of concern have focused on the \$600 billion in defense cuts that will be triggered in a sequester, some lawmakers also suggested that the corresponding \$600 billion in cuts to domestic programs and some mandatory spending will also be contested before the automatic reductions begin in January 2013.

President Obama promised to veto any attempt to "get rid of" the sequester. "The only way these spending cuts will not take place is if Congress gets back to work and agrees on a balanced plan to reduce the deficit by at least \$1.2 trillion," the president said. "That's exactly what they need to do. That's the job they promised to do. And they've still got a year to figure it out."

VOW Act to Hire Veterans of 2011 – passed and on the way to President for signature.

This act provides for:

Expanding Education & Training; Improving the Transition Assistance Program; Translating Military Skills and Training: Facilitating Seamless Transition: Veterans Tax Credits for employers. I am proud to say, that this is one of the last pieces of legislation that I worked on – on your behalf. This act does assist Veterans find and keep meaningful jobs.

It is up to us to let Congress know if these are acceptable risk or not. Take Action by – letting Congress know your thoughts through calls, faxes, or email the attached message to your Congressional delegation. Click on the Take Action to send the letter we have pre-written – or you can change it to a letter you wish to send. If you have questions, please

email: ike.puzon@ausn.org. After I depart AUSN on 30 NOV, I will be joining a special team as Chief of Staff for an Ambassador at the State Department in charge of Assistance to the New Middle East Territories. If I can assist you in any way – please email me at puzon1@comcast.net after 30 NOV 2011.